

**REMARKS:**

Claims 1-32 are currently pending in the application.

Claims 1-5, 7, 9-15, 17, 19-25, 27, and 29-32 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 7,058,602 to La Mura et al. ("*La Mura*"), in view of U.S. Patent No. 6,871,191 to Kinney Jr. et al. ("*Kinney*"), in view of U.S. Patent No. 6,871,191 to Johnson et al. ("*Johnson*"), and in further view of U.S. Patent No. 6,952,682 to Wellman ("*Wellman*").

Claims 6, 8, 16, 18, 26, and 28 stand rejected under 35 U.S.C. § 103(a) over *La Mura* in view of *Kinney* in view of *Wellman* and in further view of U.S. Patent No. 7,039,603 to Walker et al. ("*Walker*").

The Applicant respectfully submits that all of the Applicant's arguments and amendments are without *prejudice* or *disclaimer*. In addition, the Applicant has merely discussed example distinctions from the cited prior art. Other distinctions may exist, and as such, the Applicant reserves the right to discuss these additional distinctions in a future Response or on Appeal, if appropriate. The Applicant further respectfully submits that by not responding to additional statements made by the Examiner, the Applicant does not acquiesce to the Examiner's additional statements. The example distinctions discussed by the Applicant are considered sufficient to overcome the Examiner's rejections. In addition, the Applicant reserves the right to pursue broader claims in this Application or through a continuation patent application. No new matter has been added.

**REJECTION UNDER 35 U.S.C. § 103(a):**

Claims 1-5, 7, 9-15, 17, 19-25, 27, and 29-32 stand rejected under 35 U.S.C. § 103(a) over *La Mura* in view of *Kinney*, in view of *Johnson*, and in further view of *Wellman*.

Claims 6, 8, 16, 18, 26, and 28 stand rejected under 35 U.S.C. § 103(a) over *La Mura* in view of *Kinney* in view of *Wellman* and in further view of *Walker*.

The Applicant respectfully submits that the ***amendments to independent Claims 1, 11, 21, 31, and 32 have rendered moot the Examiner's rejection of these claims and the Examiner's arguments in support of the rejection of these claims.*** The Applicant further respectfully submits that amended independent Claims 1, 11, 21, 31, and 32 in their current amended form contain unique and novel limitations that are not taught, suggested, or even hinted at in *La Mura, Kinney, Johnson, Wellman, and Walker*, either individually or in combination. Thus, the Applicant respectfully traverses the Examiner's obvious rejection of Claims 1-32 under 35 U.S.C. § 103(a) over the proposed combination of *La Mura, Kinney, Johnson, Wellman, and Walker*, either individually or in combination.

**The Proposed *La Mura-Kinney-Wellman-Johnson-Walker* Combination Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicant's Claims**

For example, with respect to amended independent Claim 1, this claim recites:

An ***electronic marketplace for dynamic pricing in an unbalanced market***, the electronic marketplace comprising:

***a first side of the unbalanced market comprising a plurality of market participants coupled with the electronic marketplace;***

***a second side of the unbalanced market comprising a plurality of market participants coupled with the electronic marketplace***, each market participant associated with the first side of the unbalanced market having a larger market capacity than each market participant associated with a second side of the unbalanced market and each market participant associated with the second side of the unbalanced market having a smaller-capacity than each market participant associated with the first side of the unbalanced market;

one or more computers collectively supporting the unbalanced market, the one or more computers collectively operable to:

***receive offers from one or more market participants associated with the first side of the unbalanced market and from one or more market participants associated with the second side of the unbalanced market***, each offer comprising at least an offered price and an offered quantity;

***prioritize among any offers associated with the first side of the unbalanced market*** that comprise equal offered prices and among any offers associated with the second side of the unbalanced market that comprise equal offered prices ***according to a predetermined prioritization scheme***, the prioritization among such equally priced offers determining the order in which they are matched with other offers;

match a first offer associated with the first side of the unbalanced market with a second offer associated with the second side of the unbalanced market according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer; and

**determine a strike price** for the match **between the first offer and the second offer** based on the relationship between the first and second offered prices. (Emphasis Added).

In addition, *La Mura*, *Kinney*, *Johnson*, *Wellman*, or *Walker*, either individually or in combination, fail to disclose, teach, or suggest each and every element of amended independent Claims 11, 21, 31, and 32.

**The Office Action Acknowledges that *La Mura* Fails to Disclose Various Limitations Recited in Applicant's Claims**

The Applicant respectfully submits that the Office Action acknowledges, and the Applicant agrees, that *La Mura* fails to disclose various limitations recited in amended independent Claim 1. Specifically the Examiner acknowledges that *La Mura* fails to disclose “an electronic marketplace in which there are generally substantially fewer market participant associated with the first side generally having a substantially greater market capacity than each market participant associated with the second side, the second side being substantially open such that offers associated with the second side are substantially accessible to substantially all of the market participants, the one or more computers collectively operable to: receive offers from market participants associated with the first side and from market participants associated with the second side, each offer comprising at least an offered price and an offered quantity; prioritize among any offers associated with the first side that comprise substantially equal offered prices and among any offers associated with the second side that comprise substantially equal offered prices according to a predetermined prioritization scheme, the prioritization among such substantially equally priced offers determining the order in which they are matched with other offers; match a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer; and determine a

strike price for the match between the first offer and the second offer based on the relationship between the first and second offered prices.” (20 April 2007 Office Action, Pages 4-5). However, the Examiner asserts that the cited portions of *Kinney* and *Wellman* disclose the acknowledged shortcomings in *La Mura*. The Applicant respectfully traverses the Examiner’s assertions regarding the subject matter disclosed in *Kinney* and *Wellman*.

The Applicant respectfully submits that *Kinney* fails to disclose, teach, or suggest amended independent Claim 1 limitations regarding an **“electronic marketplace for dynamic pricing in an unbalanced market”** and in particular *Kinney* fails to disclose, teach, or suggest amended independent Claim 1 limitations regarding a **“first side** of the unbalanced market **comprising a plurality of market participants coupled with the electronic marketplace”** and a **“second side** of the unbalanced market **comprising a plurality of market participants coupled with the electronic marketplace**, each market participant associated with the first side of the unbalanced market having a larger market capacity than each market participant associated with a second side of the unbalanced market and each market participant associated with the second side of the unbalanced market having a smaller-capacity than each market participant associated with the first side of the unbalanced market”.

In particular, it appears that the Examiner is equating in the **“electronic marketplace”** recited in amended independent Claim 1 with the **“electronic online auctions”** disclosed in *Kinney*. (3 October 2007 Final Office Action, Page 3). However, *Kinney* fails to teach, suggest, or even hint at the **“electronic marketplace”** as recited in amended independent Claim 1 limitations, because, among other things, *Kinney* **admits**, an **“auction inherently is one-sided**, and thus is not an **“electronic marketplace”** as recited in amended independent Claim 1 including a **“first side** of the unbalanced market **comprising a plurality of market participants coupled with the electronic marketplace** and **“second side** of the unbalanced market **comprising a plurality of market participants coupled with the electronic marketplace**. (Column 4, Lines 8-10). In contrast, the **“electronic marketplace”** recited in amended independent Claim 1 is an **“electronic marketplace for dynamic pricing in an unbalanced market”** and comprises a **“first side** of the unbalanced market

*comprising a plurality of market participants coupled with the electronic marketplace* and a “*second side of the unbalanced market comprising a plurality of market participants coupled with the electronic marketplace*,” each market participant associated with the first side of the unbalanced market having a larger market capacity than each market participant associated with a second side of the unbalanced market and each market participant associated with the second side of the unbalanced market having a smaller-capacity than each market participant associated with the first side of the unbalanced market”. Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner’s comparison between *Kinney* and amended independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish amended independent Claim 1 from *Kinney*.

The Applicant further respectfully submits that *Wellman* fails to disclose, teach, or suggest amended independent Claim 1 limitations regarding an “*electronic marketplace for dynamic pricing in an unbalanced market*” and in particular *Wellman* fails to disclose, teach, or suggest amended independent Claim 1 limitations regarding “*prioritize[ing] among any offers associated with the first side of the unbalanced market*” that comprise equal offered prices and among any offers associated with the second side of the unbalanced market that comprise equal offered prices *according to a predetermined prioritization scheme*, the prioritization among such equally priced offers determining the order in which they are matched with other offers”. In particular, the Examiner equates the “*predetermined prioritization scheme*” recited in amended independent Claim 1 with the statement that *Wellman* “clearly show[s] a prioritization is being conducted”. (3 October 2007 Final Office Action, Page 4). The Applicant respectfully disagrees; in fact, the system of *Wellman* merely prioritizes “bid pairs” which are matches between a buyer and a seller in an auction context. (Column 9, Lines 27-33). However, the system of *Wellman* fails to teach, suggest, or even hint at a “*predetermined prioritization scheme*”, “*prioritize[ing] among any offers associated with the first side that comprise equal offered prices*”, or “*prioritize[ing] among [...] any offers associated with the second side of the unbalanced market that comprise equal offered prices*”.

In addition, because *Wellman* fails to teach, suggest, or even hint at a market having “**first side** of the unbalanced market **comprising a plurality of market participants coupled with the electronic marketplace**” or a “**second side** of the unbalanced market **comprising a plurality of market participants coupled with the electronic marketplace**” *Wellman* simply cannot disclose, teach, or suggest “**prioritize[ing] among any offers associated with the first side of the unbalanced market** that comprise equal offered prices and among any offers associated with the second side of the unbalanced market that comprise equal offered prices **according to a predetermined prioritization scheme**, the prioritization among such equally priced offers determining the order in which they are matched with other offers”, as recited in amended independent Claim 1. Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner’s comparison between *Wellman* and amended independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish amended independent Claim 1 from *Wellman*.

The Applicant still further respectfully submits that *Johnson* fails to disclose, teach, or suggest amended independent Claim 1 limitations regarding “each market participant associated with the first side of the unbalanced market having a larger market capacity than each market participant associated with a second side of the unbalanced market and each market participant associated with the second side of the unbalanced market having a smaller-capacity than each market participant associated with the first side of the unbalanced market”. In particular, it appears that the Examiner is equating “each market participant associated with the first side of the unbalanced market having a larger market capacity than each market participant associated with a second side of the unbalanced market” recited in amended independent Claim 1 with the statement that “*Johnson* teaches that in an energy auction system there are energy suppliers and end users”. (3 October 2007 Final Office Action, Page 5). However, the system of *Johnson* is merely “[a]n auction service...that stimulates competition between energy suppliers” and utilizes a computer to determine which of the bidding energy suppliers will be able to supply power to end users and the end users are not involved in the process. (Column 5, Lines 61-66). Accordingly, the system of *Johnson* fails to teach, suggest, or even hint at a “**second side**

of the unbalanced market ***comprising a plurality of market participants coupled with the electronic marketplace***", as recited in amended independent Claim 1. Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner's comparison between *Johnson* and amended independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish amended independent Claim 1 from *Johnson*.

The Applicants yet further respectfully submit that the allegation in the present Office Action that that the proposed combination of *La Mura*, *Kinney*, *Johnson*, and *Wellman* discloses all of the claimed limitations is respectfully traversed. Further, it is respectfully noted that the Office Action provides no concise explanation as to how the proposed combination of *La Mura*, *Kinney*, *Johnson*, and *Wellman* is considered to anticipate all of the limitations in amended independent Claim 1. For example, the Office Action fails to provide any explanation how the proposed combination of *La Mura*, *Kinney*, *Johnson*, and *Wellman* discloses amended independent Claim 1 limitations regarding "match[ing] a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer" and ***"determin[ing] a strike price for the match between the first offer and the second offer based on the relationship between the first and second offered prices"***.

The Applicants respectfully point out that "it is incumbent upon the examiner to identify wherein each and every facet of the claimed invention is disclosed in the applied reference." Ex parte Levy, 17 U.S.P.Q.2d (BNA) 1461, 1462 (Pat. & Tm. Off. Bd. Pat. App. & Int. 1990). Thus, if the Examiner continues to maintain the rejection of amended independent Claim 1 over the proposed combination of *La Mura*, *Kinney*, *Johnson*, and *Wellman*, the Applicant respectfully requests the Examiner to provide a concise explanation as to how the proposed combination of *La Mura*, *Kinney*, *Johnson*, and *Wellman* discloses amended independent Claim 1 limitations regarding "match[ing] a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer" and ***"determin[ing] a strike price***

***for the match between the first offer and the second offer based on the relationship between the first and second offered prices”.***

**The Office Action Fails to Properly Establish a *Prima Facie* case of Obvious over the Proposed Huang-Narimatsu Combination According to the UPSTO Examination Guidelines**

The Applicant respectfully submits that the Office Action fails to properly establish a *prima facie* case of obviousness based on the proposed combination of *La Mura*, *Kinney*, *Johnson*, *Wellman*, or *Walker*, either individually or in combination, and in particular, the Office Action fails to establish a *prima facie* case of obviousness based on the “Examination Guidelines for Determining Obviousness Under 35 U.S.C. 103 in View of the Supreme Court Decision in *KSR International Co. v. Teleflex Inc.*” (the “Guidelines”).

As reiterated by the Supreme Court in *KSR International Co. v. Teleflex Inc.* (*KSR*), the framework for the objective analysis for determining obviousness under 35 U.S.C. 103 is stated in *Graham v. John Deere Co.* (383 U.S. 1, 148 USPQ 459 (1966)). Obviousness is a question of law based on underlying factual inquiries. These factual inquiries enunciated by the Court are as follows:

- (1) Determining the scope and content of the prior art;
- (2) Ascertaining the differences between the claimed invention and the prior art; and
- (3) Resolving the level of ordinary skill in the pertinent art.

(Notice, 72 Fed. Reg. 57527 (Oct. 10, 2007)). Objective evidence relevant to the issue of obviousness must be evaluated by Office personnel. (383 U.S. 17–18, 148 USPQ 467 (1966)). As stated by the Supreme Court in *KSR*, “While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.” (*KSR*, 550 U.S. at \_\_\_, 82 USPQ2d at 1391).

However, it is important to note that the Guidelines require that Office personnel ***“ensure that the written record includes findings of fact*** concerning the state of the art and the teachings of the references applied. (Notice, 72 Fed. Reg. 57527 (Oct. 10, 2007)).



In addition, the Guidelines remind Office personnel that the “***factual findings made by Office personnel are the necessary underpinnings to establish obviousness.***” (*id.*). Further, “***Office personnel must provide an explanation to support an obviousness rejection*** under 35 U.S.C. 103. (*id.*). In fact, “35 U.S.C. 132 requires that the applicant be notified of the reasons for the rejection of the claim so that he or she can decide how best to proceed” and “clearly setting forth findings of fact and the rationale(s) to support a rejection in an Office action leads to the prompt resolution of issues pertinent to patentability.” (*id.*).

With respect to the subject application, the Office Action has not shown the ***factual findings necessary to establish obviousness*** or even ***an explanation to support the obviousness rejection*** based on the proposed combination of *La Mura*, *Kinney*, *Johnson*, *Wellman*, and *Walker*. The Office Action merely states that *Kinney* provides “details about buyers and sellers”, that *Wellman* teaches a “clearing process”, that *Johnson* teaches “that there can be different types of sellers and buyers”, and that *Walker* teaches a “settlement system can arrange for a buyer to purchase a product from a seller at a first place”. (3 October 2007 Final Office Action, Page 6). The Applicant respectfully disagrees and respectfully submits that the Examiner’s conclusory statement is not sufficient to establish the ***factual findings necessary to establish obviousness*** and is not a sufficient ***explanation to support the obviousness rejection*** based on the proposed combination of *La Mura*, *Kinney*, *Johnson*, *Wellman*, and *Walker*.

The Guidelines further provide guidance to Office personnel in “determining the scope and content of the prior art” such as, for example, “Office personnel must first obtain a thorough understanding of the invention disclosed and claimed in the application.” (Notice, 72 Fed. Reg. 57527 (Oct. 10, 2007)). The scope of the claimed invention must be clearly determined by giving the claims the “broadest reasonable interpretation consistent with the specification.” (See *Phillips v. AWH Corp.*, 415 F.3d 1303, 1316, 75 USPQ2d 1321, 1329 (Fed. Cir. 2005) and MPEP § 2111.). In addition, the Guidelines state that any “***obviousness rejection should include***, either explicitly or implicitly in view of the prior art applied, ***an indication of the level of ordinary skill.***” (Notice, 72 Fed. Reg. 57528

(Oct. 10, 2007)). With respect to the subject Application, the Office Action has not provided ***an indication of the level of ordinary skill.***

The Guidelines still further provide that once the *Graham* factual inquiries are resolved, Office personnel must determine whether the claimed invention would have been obvious to one of ordinary skill in the art. (*Id.*). For example, the Guidelines state that ***Office personnel must explain why the difference(s) between the prior art and the claimed invention would have been obvious to one of ordinary skill in the art.*** (*Id.*). In addition, the Guidelines state that the proper analysis is ***whether the claimed invention would have been obvious to one of ordinary skill in the art after consideration of all the facts.*** (*Id.* and See 35 U.S.C. 103(a)).

With respect to the subject Application, the Office Action has not expressly resolved any of the *Graham* factual inquiries to determine whether Applicants invention would have been obvious to one of ordinary skill in the art. In addition, the Office Action fails to ***explain why the difference(s) between the proposed combination of La Mura, Kinney, Johnson, Wellman, and Walker and the Applicant's claimed invention would have been obvious to one of ordinary skill in the art.*** The Office Action merely states that "so that transactions can take place electronically". (3 October 2007 Final Office Action, Page 6). The Applicant respectfully disagrees and further respectfully requests clarification as to how this statement ***explains why the difference(s) between the proposed combination of La Mura, Kinney, Johnson, Wellman, and Walker and the Applicant's claimed invention would have been obvious to one of ordinary skill in the art.*** The Applicant further respectfully submits that the Examiner is using the subject Application as a template to formulate reconstructive hindsight, which constitutes impermissible use of hindsight under 35 U.S.C. § 103(a).

The Guidelines yet further state that the "key to supporting any rejection under 35 U.S.C. 103 is the ***clear articulation of the reason(s) why the claimed invention would have been obvious.***" (Notice, 72 Fed. Reg. 57528 (Oct. 10, 2007)). In fact, the Supreme Court in *KSR* noted that ***"the analysis supporting a rejection under 35 U.S.C. 103 should be made explicit."*** (*id.*). The Court quoting *In re Kahn* (441 F.3d 977, 988, 78

USPQ2d 1329, 1336 (Fed. Cir. 2006)), stated that “[R]ejections on **obviousness cannot be sustained by mere conclusory statements**; instead, there **must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.**” (KSR, 550 U.S. at \_\_\_, 82 USPQ2d at 1396). The Guidelines provide the following seven rationales:

- (A) Combining prior art elements according to known methods to yield predictable results;
- (B) Simple substitution of one known element for another to obtain predictable results;
- (C) Use of known technique to improve similar devices (methods, or products) in the same way;
- (D) Applying a known technique to a known device (method, or product) ready for improvement to yield predictable results;
- (E) “Obvious to try”—choosing from a finite number of identified, predictable solutions, with a reasonable expectation of success;
- (F) Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations would have been predictable to one of ordinary skill in the art;
- (G) Some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention.

The Applicant respectfully submits that the **Office Action fails to provide any articulation, let alone, clear articulation of the reasons why the Applicant’s claimed invention would have been obvious**. For example, the **Examiner has not adequately supported the selection and combination of La Mura, Kinney, Johnson, Wellman, and Walker to render obvious the Applicant’s claimed invention**. The Examiner’s unsupported conclusory statements that *Kinney* provides “details about buyers and sellers”, that *Wellman* teaches a “clearing process”, that *Johnson* teaches “that there can be different types of sellers and buyers”, that *Walker* teaches a “settlement system can arrange for a buyer to purchase a product from a seller at a first place” and “so that transactions can take place electronically”, **does not adequately provide clear articulation of the reasons why the Applicant’s claimed invention would have been obvious**. (3 October 2007 Final Office Action, Page 6). In addition, the Examiner’s

unsupported conclusory statement fails to meet any of the Guidelines rationales to render obvious the Applicant's claimed invention.

Thus, if the Examiner continues to maintain the obvious rejection based on the proposed combination of *La Mura, Kinney, Johnson, Wellman, and Walker*, the Applicant respectfully requests that the Examiner provide proper support for the obviousness rejection under 35 U.S.C. 103 as necessitated by the Guidelines.

**The Applicant's Claims are Patentable over the Proposed *La Mura-Kinney-Johnson-Wellman-Walker* Combination**

Amended independent Claims 11, 21, 31, and 32 are considered patentably distinguishable over the proposed combination of *La Mura, Kinney, Johnson, Wellman, or Walker* for at least the reasons discussed above in connection with amended independent Claim 1.

With respect to dependent Claims 2-10, 12-20, and 22-30: Claims 2-10 depend from amended independent Claim 1; Claims 12-20 depend from amended independent Claim 11; and Claims 22-30 depend from amended independent Claim 21. As mentioned above, each of amended independent Claims 11, 21, 31, and 32 include limitations similar to those discussed above in connection with amended independent Claim 1. Thus, dependent Claims 2-10, 12-20, and 22-30 are considered patentably distinguishable over the proposed combination of *La Mura, Kinney, Johnson, Wellman, or Walker* for at least the reasons of depending from an allowable claim and are therefore considered to be in condition for allowance.

For at least the reasons set forth herein, the Applicant respectfully submits that Claims 1-32 are not rendered obvious by the proposed combination of *La Mura, Kinney, Johnson, Wellman, or Walker*, or in knowledge generally available to those of ordinary skill in the art at the time of the invention. The Applicant further respectfully submits that Claims 1-32 are not rendered obvious by the proposed combination of *La Mura, Kinney, Johnson, Wellman, or Walker*, or in knowledge generally available to those of ordinary skill in the art at the time of the invention, and are in condition for allowance. Thus, the

Applicant respectfully request that the rejection of Claims 1-32 under 35 U.S.C. § 103(a) be reconsidered and that Claims 1-32 be allowed.

**CONCLUSION:**

In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

A Request for Continued Examination (RCE) is being filed electronically herewith to facilitate the processing of this deposit account authorization. **The Director is hereby authorized to charge the \$810.00 RCE fee to Deposit Account No. 500777.** Although the Applicant believes no additional fees are deemed to be necessary; the undersigned hereby authorizes the Director to charge any additional fees which may be required, or credit any overpayments, to **Deposit Account No. 500777.** If an extension of time is necessary for allowing this Response to be timely filed, this document is to be construed as also constituting a Petition for Extension of Time Under 37 C.F.R. § 1.136(a) to the extent necessary. Any fee required for such Petition for Extension of Time should be charged to **Deposit Account No. 500777.**

**Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.**

Respectfully submitted,

27 December 2007  
Date

/Steven J. Laureanti/signed  
Steven J. Laureanti, Registration No. 50,274

BOOTH UDALL, PLC  
1155 W. Rio Salado Pkwy., Ste. 101  
Tempe AZ, 85281  
214.636.0799 (mobile)  
480.830.2700 (office)  
480.830.2717 (fax)  
steven@boothudall.com

**CUSTOMER NO. 53184**